

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 0683-01
BILL NO.: HB 130
SUBJECT: Department of Agriculture; Animal Shelter Grant Fund
TYPE: Original
DATE: January 4, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Animal Shelter Grant Fund*	\$0	\$0	\$0
General Revenue Fund	(\$91,363)	(\$92,759)	(\$95,113)
Total Estimated Net Effect on <u>All</u> State Funds	(\$91,363)	(\$92,759)	(\$95,113)

***Revenues and expenses of approximately \$879,325 annually net to \$0.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

In response to an identical proposal from the 2000 session (HB 2105), officials from the **Office of State Treasurer** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Administration - Division of Budget and Planning** assume the proposed legislation would have no fiscal impact on their agency. Officials noted that there would be impact on total state revenue.

Officials from the **Office of Secretary of State** (SOS) assume that based on experience with other divisions, the rules, regulations and forms issued by the Department of Agriculture could require as many as approximately eight pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. Therefore, the estimated costs for FY 02 are \$492.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Officials from the **Department of Agriculture** (AGR) assume the proposed legislation states that any individual, not just ACFA licensees, who sells an unneutered dog or cat would have to collect a \$25 fee to be remitted to the Department of Agriculture. Officials state that this would be difficult to regulate because the only ones who have to be licensed by the Animal Care Program are the people who harbor more than three intact females. It would be dependent upon such individuals who are not licensed by the Department to know about the law and voluntarily comply with collecting and submitting the fee to the Department.

The number of dogs/cats reportedly sold through licensed ACFA pet stores for 1999 was 11,173 and at \$25 each this would amount to \$279,325. Annual retail sales from hobby/show and commercial breeders are approximately 24,000 dogs/cats sold and at \$25 each this would amount to \$600,000. This would be an annual total of \$879,325 for the animal shelter grant fund.

The Department estimates that eight new FTE's (Program Coordinator (1), Clerk Typist III (2) and Animal Health Officer (5)) would be required to administer the provisions of this legislation and assumes that these FTE's would be paid by general revenue funds as the proposed legislation does not indicate that the "Animal Shelter Grant Fund" will support any program costs, but the Department of Agriculture would provide oversight for the disbursement of grant funds.

ASSUMPTION (continued)

The purpose of the Animal Health Program Coordinator would be to review and approve grant applications, investigate reports of violations against the law, perform periodic compliance audits of grant recipients, draft/modify regulations governing grant distribution, advise/answer inquiries about grant awards and supervise clerical and field staff. There would be approximately 25% travel required with this position.

The two Clerk Typist III positions would be responsible for receiving, processing and depositing collected fees. Additionally, responsibilities include keeping a database on who has and has not submitted their fees, organizing and coordinating workflow, making meeting and travel arrangements, and performing a variety of support functions for the program manager.

The five Animal Health Officers would check records, investigate complaints, and enforce regulations. They would check the owner's records to determine if pets were sold retail or wholesale to determine if the pets were neutered, if the fee was not collected on the pets. Also, they would follow up on those who are not licensed with the Animal Care Program.

Oversight assumes the estimated net effect on the Animal Shelter Grant Fund would be \$0 as the money would be collected and then disbursed to provide grants. Additionally, for fiscal note purposes, Oversight assumes the fees collected would remain consistent through FY 04.

In an identical proposal (HB 2105) from the 2000 session, the AGR requested two FTE. The two positions requested were a Program Manager and a Clerk Typist III. For purposes of this fiscal note, Oversight has included these two positions in the fiscal impact below and has increased the salaries by 4% for FY 02 and by 2.5% for FY's 03 and 04. Additionally, Oversight has included expense and equipment costs for these two positions by utilizing the costs reflected in the prior years fiscal note.

Oversight assumes that if the Department determines that additional staff is needed to comply with this proposal, such staff should be requested during the normal budgetary process

Oversight assumes unknown revenue to any cities or counties that would be considered "local licensed animal shelters" as they would receive grants from this newly created fund.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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ANIMAL SHELTER GRANT FUND

Income - Department of Agriculture

Fees collected	\$732,771	\$879,325	\$879,325
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Cost - Department of Agriculture

Grants Issued	(\$732,771)	(\$879,325)	(\$879,325)
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Estimated Net Effect on

ANIMAL SHELTER GRANT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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GENERAL REVENUE FUND

Cost - Department of Agriculture

Personal Services (2)	(\$52,291)	(\$64,318)	(\$65,926)
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Fringe Benefits	(\$17,429)	(\$21,437)	(\$21,973)
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Expense and Equipment	(\$21,643)	(\$7,004)	(\$7,214)
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Estimated Net Effect on

GENERAL REVENUE FUND	<u>(\$91,363)</u>	<u>(\$92,759)</u>	<u>(\$95,113)</u>
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FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

CITIES and COUNTIES

Income - Cities and Counties

Grants Received	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Small Business

Officials from the AGR noted that the proposed legislation may impact small businesses selling dogs and cats at retail. The individual or persons selling an unneutered dog or cat at retail will need to keep additional records, submit fee payments to the Department as required, adjust business operations to meet this requirement and may add to the price of the animal for sale.

DESCRIPTION

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This proposal creates the Animal Shelter Grant Fund and the fund shall be administered by the Department of Agriculture. Any person who sells an unneutered dog or cat at retail shall charge and collect a twenty-five-dollar fee. This fee is to be remitted to the Department of Agriculture and deposited in this fund. Moneys in the fund shall be used to provide grants to local licensed animal shelters for spaying and neutering programs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of Administration - Division of Budget and Planning
Office of Secretary of State
Office of State Treasurer

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director

January 4, 2001